GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2892
ANSWERED ON:06.12.2007
IMPORT OF SKO KEROSENE
Thakkar Smt. Jayaben B.

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Union Government is aware that the needy bulk consumers/customers can not get free sale of SKO/Kerosene easily from the open market because of revision of import policy of SKO/Kerosene;

(b) if so, the details thereof;

(c) whether the Union Government is planning for arranging separate Marketing channel in the State for making availability of adequate quantity of white SKO/Kerosene;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI MURLI DEORA)

(a) & (b): This Ministry had introduced Parallel Marketing System (PMS) for kerosene vide Notification dated 2.9.1993 allowing the private agencies to import and market kerosene at market prices in the country. Subsequently, on the recommendation of this Ministry, Deptt. of Commerce vide Notification dated 25.11.2003 canalized the import of kerosene through State Trading Enterprises such as Indian Oil Corporation (IOC), Hindustan Petroleum Corporation Limited (HPCL) and Bharat Petroleum Corporation Limited (BPCL) for all purposes and also through the State Trading Corporation by Advance License Holders. SKO Control Order, 1993 has now been amended on 06.07.2006 allowing parallel marketers to source their requirements from indigenous sources also.

(c) to (e): IOCL, BPCL and HPCL are marketing non-PDS kerosene in the open market. As per the existing system of marketing of non-PDS kerosene followed by the Public Sector Oil Marketing Companies (OMCs), the genuine industrial and non-domestic customers having requirement of more than one Tank Lorry load at a time are being supplied directly and the requirement of small customers having requirement less than full Tank Lorry load is being met through the existing SKO-LDO dealership network at the non-subsidized rate.

Under the provisions of Kerosene (Restriction on Use and Fixation of Ceiling Price) Order, 1993, Government have permitted Oil Natural Gas Corporation (ONGC), Mangalore Refinery and Petrochemical Limited (MRPL) and Reliance Industries Ltd. (RIL) to market their indigenously produced kerosene, after meeting the demand of PDS kerosene in full, to non-PDS customers. Oil companies sell free sale Kerosene at market prices as per the requirements.

It was planned to introduce sale of kerosene in small packs of 1 litres on trial basis initially, to assess the acceptability of product in small packs to customers who are not covered under the Public Distribution System. Indian Oil Corporation Limited (IOCL) has set up a pilot plant at Rewari (Haryana) for marketing kerosene in 1 litre glass bottle on a trial basis. The production has started with effect from 17.10.2007. The product is now being test marketed in the districts of Faridabad and Gurgaon in Haryana.